DOCUMENT RESUME

ED 357 717 HE 026 471

AUTHOR	Callan, Patrick M.
TITLE	The California Higher Education Policy Vacuum. The Example of Student Fees.
INSTITUTION	California Higher Education Policy Center, San Jose.
PUB DATE	Apr 93
NOTE	15p.
PUB TYPE	Viewpoints (Opinion/Position Papers, Essays, etc.) (120)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Community Colleges; Demography; *Educational Finance; Educational Trends; Fees; *Financial Exigency; *Higher Education; Leadership; Legal Responsibility; Policy Formation; Public Policy; State Colleges; State Legislation; State Universities; *Statewide Planning; Tuition
IDENTIFIERS	*California

ABSTRACT

California state legislators are showing a lack of long-term leadership and vision in their planning for the state's higher education needs as indicated in their recent decisions regarding increased tuition and fees. California's public higher education system stands at the nexus of two powerful trends: the long-term social, demographic, technological, and economic trends which call for imaginative and often costly responses and the almost unprecedented State and national fiscal stringency which severely limits the capacity for informed, long-term response. Student fee policy is one of the most important aspects of State higher education policy. Emphasis is justified by the currency of student fee issues: both the University Regents and the State University Trustees increased undergraduate student fees by more than 35 percent at their March 1993 meetings. In addition, since January of 1993 all California Community College students have paid higher fees imposed by the Legislature. It is important to remember, however, that student fee policy is only one aspect of State higher education policy. Of equal importance, State policies on such matters as student financial aid, faculty productivity, and new or improved physical facilities are unclear, outdated, or nonexistent. Action on student fee increases reflect deeper questions concerning policy directions for higher education. In 1993, each of the three public segments (the public colleges and universities, the State University, and the California Community Colleges) sought additional revenues from student fees and--in the absence of State policy relevant to the times--each pursued its separate interests without regard either to the other segments or the long-term interests of the State--and with less than adequate consideration of the interests of the students. In light of demographic changes taking place, the role of education in shaping a labor force and other considerations, a comprehensive State policy concerning higher education is required, a policy that, while accounting for immediate financial stress, anticipates a tomorrow radically different from today. (JB)

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THE CALIFORNIA HIGHER EDUCATION POLICY VACUUM

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THE CALIFORNIA HIGHER EDUCATION POLICY VACUUM

The Example of Student Fees

Patrick M. Callan

April 1993

INTRODUCTION

This report may be as disheartening to read as it has been to write. It is about the abdication of responsibility by the political leadership of the state for crucial public policies in higher education–a public service in which California has excelled in the past and upon which our future as a state is vitally dependent. This abdication is responsible for the absence of a long-term policy framework against which specific proposals and actions can be judged. Within this public policy vacuum, recent actions taken by the professional and lay leadership of California higher education can, I believe, be characterized as expedient in the short-term and detrimental in the long-term. The deliberative quality of lay governing boards is also questioned in this report. Appropriate decisions do not necessarily follow from the number and quality of options a governing board considers, nor from the time available for considering them; but without options, and with greatly limited time to decide, governing board decisions are more likely to be inappropriate.

It is time to focus on fundamental questions: What are the State's current and long-term needs for higher education? How will decisions regarding the current fiscal crisis help or inhibit the long-term capability of the State to provide access to an effective educational system? What people should the system of higher education serve, and who should bear the cost? Can higher education operate more productively and more effectively in the future? How well are colleges and universities organized, structured, and financed to meet the needs of the rest of this decade and of the twenty-first century? How well will the organizational and financial patterns developed in the 1960s, 1970s and 1980s serve Californians in the next century?

It will not be sufficient to ask these questions exclusively within the existing policy and organizational framework. We cannot assume that this framework, essentially a product of the past thirty-three years, is a natural phenomenon, like the Sierra Nevada or the Pacific Ocean. To do so obscures fundamental issues and confuses means with ends. The system of higher education in California was established to achieve public policy goals, including educational opportunity for all who could benefit and the highest quality of university-based research. The State must now begin to decide upon objectives for the future and to assess its policy framework in terms of those objectives. Those who would maintain the current system, as well as those who would propose changes, should bear the burden of demonstrating that their positions meet the needs of the public.

Because of many past successes, California higher education leaders have for years imposed a heavy burden on proponents of fundamental change. In recent weeks, however, a number of radical departures from current practices have been proposed, particularly with respect to student charges and financial assistance. Some of these are discussed in this report. Unfortunately, most such proposals are responses to the current emergency, with inadequate consideration of long-term consequences. Moreover, some of these ideas may serve parochial interests at the expense of larger interests of California higher education and the people of California.

This paper describes the exact opposite of an approach that begins with fundamental questions. The California system of higher education is being redesigned almost casually and without concern for public policy goals. The students it will serve and how it will be financed are being determined by fragmented responses to annual fiscal emergencies. Little deliberation or attention is given to long-term consequences.

Many of the crucial decisions are fundamentally political. Even the most capable administrators and trustees cannot be expected to answer the question of what the public needs and requires–of what California *as a state* needs and requires–of its colleges and universities. In the absence of

political decisions made by the elected leadership of the State, leaders of each sector and program are almost compelled to assume that "what's good for my segment, program, department, or agency, is good for the state." As institutional leaders make decisions in the absence of a public policy framework, their actions are understandably most heavily influenced by their own internal politics. The needs of students–current and prospective–tend to be weighed least heavily in these decision processes.

A result is that students become the variable in the policy equation–the first victims of budget cuts. Colleges and universities, with at least the tacit support of the State, find it easier to turn to students to make up lost State revenues or to reduce student access than to look to themselves for improvements in educational or scholarly productivity or administrative efficiency. In this context, higher education can be described as a "black box" that moves forward in serving students when money is inserted. When money is withdrawn, the box moves in reverse, reducing educational opportunity. Perhaps it is time to open the box, examine the components and see if they can be arranged in a way that will induce more efficient and effective operations than in the past–for example, through more streamlined curriculum, administrative reorganization, greater use of technology, more relevant priorities.

The price for adherence to the status quo in the way the business of higher education is conducted may be a higher education system that simply does less and does less well each year. This erosion has already begun. The recent entreaties (Higher Education Roundtable, "The Golden State At Risk: A Joint Statement . . ." Sacramento: California Postsecondary Education Commission, February, 1993) of the collective leadership of California higher education notwithstanding, it is unlikely that this erosion can be stemmed solely by new resources–whether provided by the State or the students. These officials are certainly accurate in their assessment of the severity of the financial problem and of the importance of higher education. However, in light of the magnitude of the problems they describe, it is revealing and disturbing that these leaders have asked so much of others–of students and taxpayers–and so little of themselves and their institutions.

Specific actions of the Governor, the Legislature, and of the higher education governing boards and leaders are criticized in this report. Any single action might, it may be conceded, find justification in the context of the state's unprecedented fiscal problems. Much might be forgiven as organizations struggle to cope with these difficult times. Much–but not all. In the aggregate, the criticized actions unmistakably point to the disintegration of State and higher education policy in California. This disintegration cannot be tolerated if colleges and universities are to do more than survive into the 21st century as mediocre versions of former greatness.

Critical though it may be, our commentary is intended to be constructive. The state's elected officials, its higher education leaders, and its lay governing boards do have the capacity and commitment to do better. Consultation can be broader and more timely; those effected by decisions can receive more consideration; the public can be better informed, analysis can be more rigorous, and alternative courses of action can be explicitly and publicly examined. Most critically, a considered *statewide* policy context that looks to the *future* can replace present institutional fragmentation and short-term fiscal expediency.

The California Higher Education Policy Center welcomes the reactions of readers to this report.

Patrick M. Callan
Executive Director

THE CALIFORNIA HIGHER EDUCATION POLICY VACUUM

The recent increases in student fees proposed by the University of California and the California State University governing boards and those enacted by the legislature for the California Community Colleges are examples–almost tragic examples–of the State's higher education policy vacuum, of short-term scrambles for revenues from students that overlook both current alternatives and long-term implications.

California's public colleges and universities stand at the nexus of two dramatic trends over which they have little or no control. From one direction, long-term social, demographic, technological, and economic trends call for imaginative–often costly–response. From the other direction, almost unprecedented State and national fiscal stringency severely limits their capacity for informed, long-term response. In the absence of State policy guidance from California's elected officials, it is apparent that such fiscal stringency encourages *ad hoc*, short-term, expedient reactions by the State's higher education institutions.

There may be light at the end of California's dark fiscal tunnel, but it is very dim; there is clearly no likelihood in the foreseeable future of a return to the "normal" funding patterns of the past.

The present status of the California economy is the most apparent problem to all players–the elected officials, the higher education community, and the public at large. No one seriously doubts the Governor's statement that "California is currently suffering from the most severe economic downturn since the 1930s, resulting in substantial reduction in State revenues. Even after the economy recovers, California can expect expenditures to outstrip revenues" (*From Adversity to Opportunity*, Sacramento: Office of the Governor, January 1993, p. 17). The severe, national recession has been felt in all states, but its lasting impact in California is uniquely grave because of the large role of the defense industry in the past, and the growing demand for public services in the future. There may be light at the end of California's dark fiscal tunnel, but it is very dim; there is clearly no likelihood in the foreseeable future of a return to the "normal" funding patterns of the past.

State policies are unclear, outdated, or nonexistent on such matters as student financial aid, faculty productivity, and new or improved physical facilities.

Beginning with the 1991-92 State Budget, the colleges and universities have annually gone through the agony of lowering budgetary expectations, of seeking and applying usually painful one-time solutions so that institutions can survive for another year. But the pressures and stress of revenue shortfalls have obscured the urgent need for restructuring to respond to social, demographic, technological, and long-term economic change. Even where the need for restructuring has been recognized, organizational inertia and conservatism have caused deferral until the return of better times. Unfortunately, it is now clear in California that better fiscal times for higher education, if they come at all, are not coming soon.

This paper emphasizes student fee policy, undoubtedly one of the most important aspects of State higher education policy. Emphasis is justified by the currency of student fee issues: Both the University Regents and the State University Trustees increased undergraduate student fees by

more than 35 percent at their March 1993 meetings. And, since January of this year, all California Community College students have paid higher fees imposed by the Legislature in 1992; those with bachelor's degrees now pay $50 per-credit-unit, an increase of 833 percent over the prior year's fee of $6 per-credit-unit.

These increases will be discussed in detail here, but it is important to remember that student fee policy, however current and important, is only one aspect of State higher education policy. Of equal importance, State policies are unclear, outdated, or nonexistent on such matters as student financial aid, faculty productivity, and new or improved physical facilities. Plans for comprehensive examination of the State's existing higher education policies and formulation of new policies for the dramatically different years ahead should be given immediate and absolute priority.

To cope with these urgent fiscal problems, California's public colleges and universities are now grappling with both State revenue shortfalls, over which they lack any control, and with the demands of a changing social environment characterized by demographic and economic change. Taken individually, either problem would be severe. In tandem, their resolution will challenge the state and the higher education institutions to the utmost. The problems and the questions that they raise are not easily defined or stated, for they encompass the entire range of the higher educational endeavor. But some are so fundamental that they cannot be ignored. What does California expect of its colleges and universities next year? Five years from now? Ten years from now? What public policies and priorities should give direction to the University, the State University, and the California Community Colleges? Should and can the institutions continue to educate all qualified applicants, a goal that has long distinguished California from other states? If not, who should be educated? What should they pay? Is postsecondary education across the State being provided efficiently and effectively? These are truly *State public policy questions*, questions that can only be definitively answered at the State level by the Governor and Legislators. The segmental governing boards can only provide short-term, partial answers to these questions, each segment necessarily operating in accordance with its own version of *State* priorities. Only by happenstance would the aggregated priorities and assumptions of the three public segments arrive at coherent *State* policy.

California's public colleges and universities are now grappling with both State revenue shortfalls, over which they lack any control, and with the demands of a changing social environment characterized by demographic and economic change.

The Example of Student Fees

State higher education policy has been distorted, eroded, or ignored over the past several years. Decisions on student fees have not brought about the disintegration of State policy. But the details of how these decisions were reached in the University, the State University, and the Community Colleges illustrate that serious disorder and uncertainty characterize California's policies for its colleges and universities.

The California State University

On March 17, 1993, at about 9:00 a.m., the State University administration unveiled four proposed resolutions. One called for an increase in annual, full-time, undergraduate student fees from $1,308 to $1,788–a 35.7 percent increase. The second resolution proposed new principles and policies for determining student fees. The remaining two recommended urging the State to repeal two long-standing restrictions on the amount and use of student fees. Shortly after noon, the Trustees unanimously adopted all four resolutions.

The Chancellor and Trustees are to be commended for recognizing that the State's expenditures would most likely continue to outrun its revenues, that *some* revised student fee policy would be needed, and that outdated, existing policies should be

eliminated. But there are cogent reasons why the policy adopted by the Trustees should not be approved by the Legislature:

- The Trustees were not presented with alternatives to either the immediate fee increase or to the long-term policy recommended. Other than the suggestion by one Trustee that more vigorous enrollment management might offset at least some of the fee increase, the discussion concentrated on the necessity and "historic" nature of the Trustees' action in abandoning the "low or no tuition" policy of the 1960 State *Master Plan.*

- The Trustees appeared to act under the assumption that the action proposed was the first attempt in the State at policy that would give students the benefit of *predictable* fees. In fact, existing statutes index fees to specified state expenditures for the State University; they require that students be given 10 months notice of fee increases, and they limit increases in any one academic year to 10 percent of the prior year's fee. Indeed, and at the request of the State University, these limitations have been waived by the State to allow increases of 20 percent in 1991-92, and 39 percent in 1992-93. The problem here is not the absence of existing policy, but the failure to recognize that existing policy had been repeatedly abandoned because of state revenue shortfalls. One Trustee, it should be noted, did predict that adoption of the proposed action–one that relies on indexing fees to costs of instruction–would lead to trouble in a few years as revenue shortfalls continued. In fact, John Slaughter, president of Occidental College, has well stated the basic objection to basing student fees on the cost of instruction (*Los Angeles Times,* March 21, 1993):

  It is important that tuition rates not be linked to the costs of instruction, because such a practice provides no incentive to keep those costs as low as possible. It would be better to relate tuition rates to an external factor, such as median family income in California. For example, tuition at community colleges, CSU and UC could be linked at progressively higher rates, respectively, to a percentage of the previous year's median family income. Grants to eligible students attending private colleges could be tied by formula to the state subsidy for students attending public universities.

The problem here is not the absence of existing (fee) policy, but the failure to recognize that existing policy had been repeatedly abandoned because of state revenue shortfalls.

"It is important that tuition rates not be linked to the costs of instruction, because such a practice provides no incentive to keep those costs as low as possible." – John Slaughter

- The CSU Trustees adopted a practice that purports to fix student fees that would "more nearly mirror the tuition and fee policies of similar institutions across the United States"(*Quality and Affordability: Policies for Pricing and Strategies for Paying.* Long Beach: The California State University, March 17, 1993, p. 2). It was stated that, on a national average, students pay tuition equal to one-third of the cost of instruction, and that this level of fees would be reached in the State University in three years–that is, annual fees of about $2,500, as contrasted with the present year's fees of $1,308 and those proposed for next year of $1,788. The "similar institutions" considered by the Trustees were the public "comparison institutions" used by the State to determine faculty salaries.

There are two serious difficulties with this reliance on "similar institutions." *First,* the proposed fee increases were adopted to meet a budgetary shortfall–to close the gap between the expected cost of continuing present State University operations and the State appropriations that would fund them. The Trustees put the cart of immediate revenue needs before the horse of student fee policy. Their decision derived from the level of revenues required to meet the State University's *status quo,* not from examination of the needs of the State and students for comprehensive fee policy for the coming years.

The "academic marketplace" for faculty members is real, and the use of comparison institutions for faculty salary comparison is justified. But the level of student fees in other states has little to do with the level of fees in California.

Second, the Trustee's reliance on fees at "similar institutions" in other states is misplaced. These "similar institutions" were originally selected for a different purpose: as those considered competitive with the State University for faculty, not because they had similar students, programs, financial aid policies, facilities, or state policies. The "academic marketplace" for faculty members is real, and the use of comparison institutions for faculty salary comparison is justified. But the level of student fees in other states has little to do with the level of fees in California. In some states, particularly those on the East Coast, it is state policy to charge students as much as the traffic will bear. California's traditional policy has been to charge as little as possible. Clearly, California policy seems to be changing in the direction of higher fees, but is it sound to make this historic change, as the State University has done, on the basis of practices at such universities as Rutgers and the University of Connecticut?

- The Trustees clearly did not specify what the students and the State should expect for the additional fees. One-third of the additional revenue (estimated at $50 million) would, they were told, be used for financial aid for needy students. One may question whether one set of students should pay what is essentially a "flat tax" to support other students and whether this type of income redistribution is an appropriate function of public universities. But at least the use of one-third of new fee revenues was explicit. In contrast, the proposed use of the bulk of the new revenues (estimated at $100 million) is obscure. The Trustees were told that this amount would be used for "educational improvement," and shown a list of six items (Slide presentation, California State University Trustee's meeting, March 17, 1993):

Educational Improvement

- *Strengthen Academic & Student Support Programs*
- *Student Program Progress*
- *Instructional Support*
- *Institutional Infrastructure (Protect State's Investment)*
- *Strategic Initiatives*
- *Compensation*

Notwithstanding a proposed committee to monitor the use of the additional fee revenues, accountability for expenditure of $100 million is lacking. In effect, the Trustees "enacted" a $100 million budget augmentation with no spending plan, and authorized the collection of this money from students–actions that would be unthinkable if these revenues were derived from any source other than students. Would the State appropriate $100 million of new money without requiring greater specificity? What private funding agency would accept "educational improvement" and the

rhetoric derived from it as sufficient for support? And the use of fee revenues for "compensation"–for faculty and staff salary adjustments–was questioned by several Trustees. The annual budgetary process at the State University and in the Legislature could, without a great deal of imagination, become an arena in which faculty seeking raises are pitted against students resisting higher fees.

The University of California

On March 19, 1993, the Regents increased annual, full-time, undergraduate student fees from $2,824 to $3,819–a 36.7 percent increase. The fee increase was recommended as part of an agenda item titled "Recommended Plan to Accommodate 1993-94 Budget Shortfall" (Office of the President, March 10, 1993). This agenda item was given to the Regents and available to the public a week before the scheduled meeting. In addition to the student fee proposal, it included a one-year temporary salary "reduction," the amount of the "reduction" to be credited to the employee's retirement accounts; a proposed plan to achieve economies over four or five years through program review, and new early retirement programs; reduction of the University's contribution to employee health care plans; reduction of campus and Office of the President budgets, including a proposed evaluation of the Office of the President with the end of achieving a 20 percent reduction of expenditures over the next two years.

The President presented the proposed changes in student fees to the Regents and public a week before the hearing. The fee increase proposal was adopted by the Regents, with six dissenting votes and one abstention. The level of discussion–and possibly the dissenting votes–at the meeting reflected the week available for the Regents to consider the proposals. As with the action of the Trustees, that of the Regents can be faulted:

- The candor of stating frankly that fee increases were intended to meet budgetary shortfalls is refreshing, but short-sighted. The fact that a *University* study will consider the creation of a "new fee to recognize deficiencies in State funding" underscores unwillingness to recognize the need for comprehensive *State* review of student fee policy across all segments.
- Of the $995 increase in revenues from student fees for 1993-94, it would appear that well over half–$555–will cover budget shortfalls for the prior year, 1992-93. Like the deferral of 5% of faculty compensation until retirement, the use of current income for past years' expenditures now and in the future suggests a type of deficit financing, one rejected by the State in its own budgetary process. One generally thinks of student fees as paying for their education, not for old, unspecified debts.
- Revenues from $100 of the $555 increase were earmarked for paying off a $50 million loan incurred to cover the 1992-93 budget shortfall. It may have been imposed because the Regents, perhaps accustomed to reliance on student fee revenues as the first resort to cover budget shortfalls, did not require a rigorous search for alternatives. It is now reported that the University may have had sufficient funds to repay the loan without imposition of this particular fee increase.

The California Community Colleges

Community College fees were restructured in 1992 by legislation. Effective on January 1, 1993, fees for most Community College students were increased from $6 per-credit-unit to $10 per-credit-unit. And those students with baccalaureate degrees were

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required to pay a new $50 per-credit-unit "differential fee." The increases in existing fees and the imposition of the new "differential fee" emerged as part of a compromise between the Governor and key Legislators in the closing hours of the prolonged 1992 budgetary stalemate. The increase in existing fees in the Community Colleges, like those in the University and State University, can only be justified as covering budgetary shortfalls. Can the Governor and Legislature can be faulted for imposition of the "differential fee?" (See Trombley, William. *Public Policy by Anecdote.* San Jose: Center for California Higher Education Policy, March, 1993)

- Proponents of the "differential fee" argued that many students with baccalaureate degrees were "rich housewives" taking recreational courses, and that the number of these students was crowding out those seeking their first degrees. Opponents argued that these students were among the unemployed or under-employed who needed retraining. Neither side offered hard data. The Legislature imposed the fee on anecdotal evidence.
- Proponents also argued that the differential fee was necessary to avoid an even greater increase in the existing fees, and that it would raise some $40 million in the second half of the 1992-93 academic year. According to Community College officials, present indications are that less that $20 million will be taken in because almost half of the bachelor's degree holders simply stopped taking classes.
- One fee increase begets another the following year. In his 1993-94 budget, the Governor seeks to have the regular fees increase from $10 per-credit-unit to $30 per-credit-unit, and to eliminate all state support for students with bachelor's degrees.

Student Financial Aid

The inseparable other-side-of-the-coin of student fees is student financial aid. Fragmentation of student aid policies matches that of fee policy. The University and State University raise money from some students to finance the education of others; the cause is worthy, but the practice is questionable. And a recent proposal of the California Student Aid Commission would, it seems, extend the practice. The Commission proposes to become a not-for-profit, private corporation, turning its present responsibility for the Cal Grant programs in the public sector over to the public segments, but retaining, as a State contractor, responsibility for grants to students attending independent institutions and for federal and State loan guarantee programs (*Charting New Directions.* Sacramento: California Student Aid Commission, March 11, 1993). Although it is too early to pass final judgment on the proposal, two "disadvantages" candidly listed in its report are extremely troublesome:

- Implementation of the Commissions proposal ". . . may lessen the state's future General Fund commitment to financial assistance and place increased reliance on fee offsets" (p. 15). In other words, the *State's* policy commitment to needy students will be eroded. Segmental policy, albeit implicit policy, to meet budgetary shortfalls with student fee revenues will be tacitly encouraged.
- Implementation will also ". . . reduce the Commission's role in statewide . . . financial aid policy development" (p. 15). The State is being asked to give up its most capable source of financial aid policy recommendations for doubtful simplification and problematic cost savings.

Student aid policies must take full account of all needs and of the full range of students. They must not be merely piecemeal responses to discrete, small constituencies. Such policies must not be established solely on a segment-by-segment basis, without recognition that the three public segments–and the private sector, as well–constitute a *State system* of higher education.

Student aid policies must take full account of all needs and of the full range of students. They must not be merely piecemeal responses to discrete, small constituencies. Such policies must not be established solely on a segment-by-segment basis, without recognition that the three public segments–and the private sector, as well–constitute a *State system* of higher education. The system is admittedly a loose one, but is a system that was deliberately and wisely devised to permit students to achieve all of which they are capable without regard to their ability to pay.

A Comment on Leadership and Governance

California's colleges and universities are in trouble. A scramble for revenues–in particular for student fee revenues–encourages short-term decisions that inhibit, rather than assist, ultimately necessary long-term reform. Who is responsible?

- The Governor, whose State Budget abandoned the settled policy of basing college and university support on student enrollment, and who encouraged open-season on student money by his suggestion–unsupported by State policy–that the three public segments "may seek to increase student fees to provide additional resources" (*Governor's Budget,* 1993-94, "*From Adversity to Opportunity.*" Sacramento: Office of the Governor, January 1993).
- The Legislature, which has largely sat above the fray, entering into it only to skew Community College fee policy for fiscal reasons and on anecdotal evidence. This year's hearings of the Assembly Committee on Higher Education may, it is to be hoped, represent a change. The Committee Chair does "not expect an array of major legislation" (Marguerite Archie-Hudson. *Letter,* March 4, 1993), and her expectation is probably correct in the short-term. Over the longer-term, however, major legislation cannot be dismissed as a possibility.
- The University Regents and State University Trustees, as deliberative governing boards, have failed to require adequate notice, options, and analysis before approving fee increases and, explicitly or implicitly, fee policy. These governing boards and the that of the Community Colleges are the members of the public most aware of current problems, and have the forum for pressing elected officials for coherent State policy. As yet, they have failed to do so.
- The chief executive officers of the three public segments have failed to provide adequate guidance for their respective governing boards. Moreover, their recent joint statement pleads for additional State revenues, not for policy guidance (Higher Education Roundtable, "The Golden State At Risk: A Joint Statement . . ." Sacramento: California Postsecondary Education Commission, February, 1993). They aver that "Higher education . . . has been actively involved in restructuring itself for new efficiencies" (p. 7), but such "restructuring," at least when considering fee increases, appears to be limited to annual expenditure reductions. Students face the reality of high fee increases, which, they are told will produce "educational improvement" in the State University and, in the University, the reforms of lower division education that were recommended several years ago in the "Smelser Report." Without doubting the good faith of the higher education's leaders, experience suggests that students may be exchanging real dollars for rhetoric.
- Everyone and No One. Higher education policy would not be in its present sad condition if the public had

Unless the public realizes its enormous stake in the effectiveness of California's public and private colleges, the current State policy vacuum is likely to persist.

demanded reform. Informed, consistent, and responsible public judgment is clearly bringing about health care reform. Public concern about health care is both acute when care is needed and chronic out of fears of financial disaster. Unless the public realizes its enormous stake in the effectiveness of California's public and private colleges, the current State policy vacuum is likely to persist.

The Necessity for Comprehensive Statewide Policy

In 1993, each of the three public segments sought or proposed obtaining additional revenues from student fees. Each did so without consideration of either the existence of statutory, statewide policy or of the reasons why such policy has failed. In the absence of State policy relevant to the times, each pursued its separate interests without regard to either the other segments or the long-term interests of the State. And, it may be suggested, the segments acted with less than adequate consideration of the interests of current and prospective students. The fragmentation assuredly resulted from repeatedly suspending the State student fee policy. Assemblyman Robert Campbell states the problem clearly and forcefully, not only for the Community College situation to which he was directing his remarks, but for that of the University, the State University, and the Student Aid Commission as well (Op. cit. Trombley, March, 1993):

> *We need to figure out what our priorities are going to be, instead of reacting every time there's a budget crisis. That's the trouble with state government. We don't have a long-range policy for water or transportation or energy or higher education or anything else. We just make a bunch of ad hoc decisions to get through the budget year.*

Comprehensive, coherent, long-range State higher educational policy is essential, but it cannot be easily achieved. It is easy, of course, to criticize the Regents, the Trustees, the Governor, and the Legislature for not acting wisely on the specific student fee decisions before them during the past year. The constraint of dismal State revenue projections, the competing demands of equally worthy programs, the awesome uncertainty of what life will be like over the coming decades, and the limited–although sometimes unnecessarily limited–time for consideration are all likely to continue to confront California policy makers. Nevertheless, the need for change and restructuring in higher education is urgent (*Policy Perspectives.* Philadelphia: The Pew Higher Education Research Program, February 1993, p. 6A):

Comprehensive, coherent, long-range State higher educational policy is essential, but it cannot be easily achieved ... nevertheless, the need for change and restructuring in higher education is urgent

> *The time for restructuring is now. There is more than sufficient evidence to conclude that those institutions that do not change–that fail to understand the underlying nature of the market and the pace and effects of technological change–will lose both influence and resources.*

The fee increases for University, State University, and Community College students and the suggested restructuring of the Student Aid Commission will come before the Governor and Legislature in proposed legislation and in the 1993-94 budgetary process. If the fee proposals are approved, they should be recognized as emergency measures. Proposals for changing student fee or financial aid policies within only one segment should be conditioned on development of comprehensive, *statewide* policy–urgently needed *State* policy that, while accounting for immediate financial stress, anticipates a tomorrow radically different from today.

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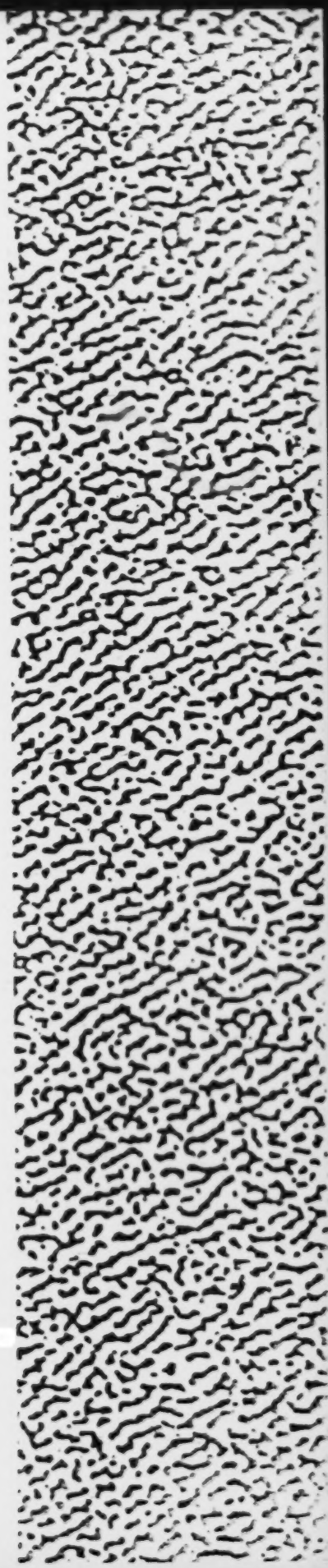

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